Half Dome from the Merced River Valley in California's Yosemite National Park
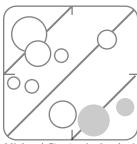
California Public Employees' Retirement System

2008 CalPERS Pharmacy Plan Customer Satisfaction Survey

January, 2008

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Contents

I. Summary and Recommendations

Findings From the 2008 CalPERS Pharmacy Plan Customer Satisfaction Survey

The 2008 CalPERS Pharmacy Plan Customer Satisfaction Survey measured customer satisfaction with three pharmacy plans of 1,200 CalPERS members evenly split between Basic and Supplement-to-Medicare health plan members.   Statistical results provided in this report may generally be used with high confidence and taken at face value. Comparisons of results across two survey questions can be made with weaker confidence and should be more cautiously interpreted. There were no unclassifiable responses in the survey or any problems met in survey administration or tabulating or analyzing results.

Survey Sample Is Older By Design

The survey sample consisted of 1,200 CalPERS members who had had at least one prescription filled in 2007 by any of the CalPERS pharmacy plans — Blue Shield, Kaiser or Medco. Because of this restriction in survey sample design, sample demographics were considerably different from overall demographics of CalPERS members. Since prescription drug use varies significantly with age, the sample resulted in an average age in the sixties even for Basic health plan members. Because the survey sample was older, its incomes are higher and the proportion of retirees among Basic health plan members is higher than for CalPERS members or Basic health plan members as a whole. These differences were to be expected as a result of the sample design and are important to keep in mind when interpreting the survey's findings.

Outstanding Customer Satisfaction Ratings

Collectively, the ratings resulting from this survey are the highest customer satisfaction ratings we have ever seen in years of customer satisfaction surveys. Easily the most obvious finding from the survey is the outstanding overall level of customer satisfaction expressed by survey respondents to the three pharmacy plans. While there was an expected spread of ratings, none was even average and the most common rating by far was a full ten on the one-to-ten customer satisfaction rating scale widely used in this survey.

The Move to Generic Drugs Appears Strong

Survey results concerning generic drugs show good effort by the three pharmacy plans in educating members about generic drugs and a majority of respondents having made a switch. About three-fourths of respondents report having had their pharmacy plan offer information on generic drugs, and about two respondents in five had queried pharmacy plans on their own regarding generic drugs. More than three in five had made a switch to generic drugs.

Medco Sets the Pace In Promoting Mail Order Prescription Fulfillment

Medco experienced particular success in migrating its members away from having prescriptions filled at walk-in pharmacies, where costs are typically higher, toward mail-order prescriptions filled directly by the pharmacy plan. Two-thirds of Medco survey respondents' prescriptions were filled by mail order. *A key survey finding is the potential for all three pharmacy plans to accelerate adoption of mail order fulfillment.*

Kaiser and Medco Excel In Customer Satisfaction

While overall customer satisfaction was uniform from pharmacy plan to pharmacy plan for prescriptions filled at walk-in pharmacies, it varied for prescriptions filled by mail order, with satisfaction of Kaiser and Medco members especially high. This is true for all three methods of placing an order directly with a pharmacy plan — at the plan's web site, by telephone or by mail-in form. Customer satisfaction regarding placing orders directly with Kaiser and Medco centered on relative ease of use of their web sites, acceptable delivery times for mail-in orders and relatively easier telephone orders. Despite Blue Shield's lower customer satisfaction in these regards compared to the two other pharmacy plans, its ratings would still be regarded as high to very high.

Other Key Findings

Respondents using specialty drugs — those involving a chronic disease, high cost, special handling or distribution, closer case management or careful monitoring by a doctor or nurse — gave uniformly high ratings to all aspects surveyed regarding provision of these drugs.

Despite CalPERS having held the line on copayments in recent years, the only relatively frequent suggestion respondents made regarding how CalPERS might improve pharmacy service dealt with lower prices and copayments.

The CalPERS member databases provided to Michael Strategic Analysis for contacting respondents proved to be entirely accurate regarding plan classification and prescription drug use during 2007.

Opportunities to Improve Pharmacy Plan Customer Satisfaction

↓ Encourage all three pharmacy plans to find ways to get customers to increase the use of plan web sites or the telephone for faster and less expensive delivery to fill prescriptions.

↓ Encourage all three pharmacy plans to improve frustrating auto-attendant systems and long on-hold times for prescriptions ordered by telephone, especially for Supplement-to-Medicare members who, being older, often require closer attention from a pharmacy plan when ordering by telephone.

↓ Blue Shield contracted with a new mail order fulfillment vendor as of January 1, 2008. This should address lower Blue Shield customer satisfaction in 2007 [the period covered by the survey] in getting prescriptions filled by mail order for all three means of order placement. Encourage Blue Shield to check for improved customer satisfaction during 2008.

↓ Conduct pharmacy plan customer satisfaction surveys biennially.

II. Background of This Engagement

Survey Population and Sample

Eligible to participate in the 2008 CalPERS Pharmacy Plan Customer Satisfaction Survey were CalPERS members registered in any of the three CalPERS pharmacy plans who had ordered one or more prescriptions through any one of these plans during 2007. The numbers of CalPERS members ordering prescriptions though these plans in 2007 were as below.

↓ Blue Shield 305,586
↓ Kaiser   334,693
↓ Medco   255,157
  Total   895,436

This total is about 75 percent of all CalPERS members covered by a CalPERS health plan. The other 25 percent did not have a prescription filled through one of the three pharmacy plans in 2007. The survey resulted in 1,200 responses comprised as follows.

Sub-Samples and Sub-Sub-Samples

The 1,200 responses were gathered in groups of 400 for each of the three CalPERS pharmacy plans. These three sub-samples were each disaggregated into 200 respondents who are registered as Basic CalPERS heath plan members and 200 respondents registered as Supplement-to-Medicare CalPERS heath plan members for totals of 600 each across the three pharmacy plans. Sample disaggregations are shown tabularly as follows.

	Medco	Blue Shield	Kaiser	Totals
Basic	200	200	200	600
Supplement to Medicare	200	200	200	600
Totals	400	400	400	1,200

Administration of the Survey

The survey was administered through a 59-question survey instrument drafted by Michael Strategic Analysis, approved by CalPERS and contained in section IV herein. The survey was administered by telephone during the weeks of January 7 and 14, 2008. Survey data were analyzed by Michael Strategic Analysis proprietary survey analysis software customized for this survey, and further analyzed through personal inspection and analysis of results. There were no difficulties met in administering the survey or in tabulating or analyzing survey data.

III. Resulting Degrees of Confidence in This Survey

Margins of Error

Three Levels of Accuracy

Statistically, there are three general levels of accuracy attainable from surveys.

Small Samples

The least accurate sample is what is referred to as a small sample which involves samples of less than 30. Small-sample analysis requires looser tools of analysis, sacrifices flexibility through use of these tools and results in the least confident conclusions.

Large Samples

At sample sizes of 30 and beyond, different, less-sacrificing statistical tools may be used for analysis yielding less error and higher confidence in results.

Optimal Samples

A total sample size of 384 is necessary for a survey in order to guarantee never more than five percent error in the worst case, no matter the statistic examined. For the 2008 CalPERS Pharmacy Plan Customer Satisfaction Survey, samples of 400 were used for each of the three CalPERS pharmacy plans — Blue Shield, Kaiser and Medco — resulting in less than five percent error for each of these sub-samples when all respondents in a sub-sample responded.

Reduction of Error Through the Sampling Fraction

When a significant fraction of a population is sampled, random error from the sample is reduced. In the extreme, when an entire population is sampled, i.e., a census is taken, random error is reduced to zero. In the 2008 CalPERS Pharmacy Plan Customer Satisfaction Survey, error was reduced in this fashion in the amount shown below. Please see Appendix One for a discussion of error reduction from this effect.

Population size: the number of eligible members[1]	895,436
Sample size: the number of responses	1,200
Sampling fraction: Sample size/population size	0.13%
Reduction of error from the sampling fraction	0.07%

This amount of error reduction is negligible and was not accounted for in survey results.

Random Error in Survey Statistics

Random error levels for survey results for the entire sample and for the sub-samples are as follows.

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[1] Those members belonging to any of the three CalPERS pharmacy plans who themselves [as opposed to dependents] had used their pharmacy plan to fill at least one prescription during 2007.

Group	Size	Error
Full sample	1,200	±2.8%
All respondents of either type of health plan	600	±4.0%
All respondents of any pharmacy plan	400	±4.9%
Any sub-sub-sample	200	±6.9%

These levels of random error may be regarded as comfortable in interpreting survey results. Most statistics shown in this report are for sub-sub-samples of 200 respondents, either Basic or Supplement-to-Medicare health plan members in one pharmacy plan, and so random error in most cases is ±6.9 percent.

Measures of Central Tendency

We find it useful to readers of our survey reports to refresh them on the differences among the three measures of central tendency of a series of data —mean, median and mode.   These three measures of central tendency are the most basic of statistics and among the most useful and frequently used.

Mean

The mean is the same as an average and is the sum of the observations in a data series divided by the number of observations. For example, a basketball player's scoring average is calculated by adding all the points he or she has scored in a season and then dividing by the number of games played.

Median

The median is the middle observation of a ranked data series, and has as many observations above it as below it in the ranking. The median of the series 5, 50, 500, 5,000, 50,000 is 500 which has two observations on either side of it . The median of the series 1, 1, 1, 1, 2, 2, 3 is 1 which has three observations on either side of it.   In some of the tables to follow, the reader will notice that the median is expressed as a fraction ending in .5, for example, 9.5. While respondents in their ten-choice Likert Scale choices had no means of giving of a rating of 9.5, this value as a median can result when there is an even number of responses from which the median is determined. For example, the median of the series 1, 2, 3, 4, 5, 6 is 3.5, the average of the *two* middle observations, though 3.5 is not a possible observation.

The Mode

The mode of a series is the observation that occurs most often in the series. In the series 1, 1, 1, 1, 2, 2, 3 from above, the mode, is 1. The series 1, 2, 3, 4, 5, 6 from above has no mode, as no one observation occurs more often than any other. When data are categorized, as in some of this survey's questions, the modal category is the one containing the highest number of responses. It is possible to have a bi-modal distribution, that is, a distribution in which two observations or categories tie for being the most frequent.

Confidence Intervals For Survey Statistics

For Means

Means from this survey may be used with high confidence and taken at face value. Comparisons of means across two questions in the survey can be made with weaker confidence and should be more cautiously interpreted.

The confidence interval for a mean depends on the variance of the data from which the mean was calculated, that is, how scattered data were about their mean. Some questions in the present survey involve proportions but more involve means from use of the one-to-ten Likert Scale.

The least accurate mean using a Likert Scale in this survey is that from question 51 for Medco Basic members on getting questions answered regarding specialty medicines for which the 95-percent confidence interval of the mean is 7.7 ± 1.46. In other words, the reader may be 95 percent confident that the true mean rating from this question is no less than 6.24 and no greater than 9.16.

The most confident Likert Scale ratings are those for Kaiser Supplement-to-Medicare members from question 12 on satisfaction in getting prescriptions refilled and question 19 on overall satisfaction when filling prescriptions at the Kaiser web site.   The 95-percent confidence interval for the Likert Scale mean from both questions is 9.8 ± .24. In other words, the reader may be 95 percent confident that the true mean rating from this question is no less than 9.56 and no greater than 10.00, the top of the scale.

For Proportions

Generally, proportions from the survey may be used with high confidence and taken at face value. The same caveats as apply for means generally apply for proportions from the survey.

Comparisons of confidence intervals for proportions in the survey involving the full sample of 1,200 are shown as follows.   The largest possibility for error occurs when a proportion is 50 percent, for example if, in a yes-or-no question, half answered yes, half no.

If the proportion of respondents answering a question a certain way is:	Then the 99% confidence interval for this proportion is:	And the 95% confidence interval for this proportion is:
5%	3.4% to 6.6%	3.8% to 6.2%
50%	46.3% to 53.7%	47.2% to 52.8%

Comparisons of confidence intervals for proportions in the survey involving full sub-samples of 600 of either all Basic health plan respondents or all Supplement-to-Medicare health plan respondents are shown as follows.

If the proportion of respondents answering a question a certain way is:	Then the 99% confidence interval for this proportion is:	And the 95% confidence interval for this proportion is:
5%	2.7% to 7.3%	3.3% to 6.7%
50%	44.7% to 55.3%	46.0% to 54.0%

Comparisons of confidence intervals for proportions in the survey involving full sub-samples of 400 of all respondents of a given pharmacy plan are:

If the proportion of respondents answering a question a certain way is:	Then the 99% confidence interval for this proportion is:	And the 95% confidence interval for this proportion is:
5%	2.2% to 7.8%	2.9% to 7.1%
50%	43.6% to 56.4%	45.1% to 54.9%

Finally, comparisons of confidence intervals for proportions in the survey involving full sub-sub-samples of 200 of all respondents of a given pharmacy plan who are enrolled either as Basic or Supplement-to-Medicare CalPERS members are:

If the proportion of respondents answering a question a certain way is:	Then the 99% confidence interval for this proportion is:	And the 95% confidence interval for this proportion is:
5%	1.0% to 9.0%	2.0% to 8.0%
50%	40.9% to 59.1%	43.1% to 56.9%

Caution In Using Pooled Results

For some questions in this survey, pooling of results could lead to misleading interpretations, masking otherwise well-defined results of different groups of respondents. The experiences of the groups, and therefore their respective knowledge, attitudes and practices, can vary significantly and attempting to draw conclusions based on their mix of different experiences might sometimes be unwarranted.

As an exaggerated example, if a survey were conducted in Ottawa and Miami on knowledge, attitudes and practices regarding snow blowers, pooling the two very different sets of results would not reflect the experiences of either group and would be utterly misleading in drawing any conclusions on snow blowers.

Likewise, in the 2008 CalPERS Pharmacy Plan Customer Satisfaction Survey, differences between, for ex-

ample, Basic versus Supplement-to-Medicare respondents could be blurred in some cases if their results were pooled [which they haven't been] because of the different experiences of the two groups based mainly on age and retirement status. Pooled results might be misleading to the reader if subjected to unsupported interpretations. Therefore, if the reader pools results, caution is urged in taking interpretations of pooled results too far.

How Unclassifiable Responses, Non-Responses and Rounding Can Affect Results

Unclassified respondents could have arisen in the sample if both the telephone database and the respondent were unclear about the respondent's classification regarding either pharmacy plan or CalPERS health plan status. However, though this is an occasional occurrence in surveys, especially with large sample sizes such as in this survey, there were no unclassifiable responses occurring in this survey.

A second factor at work that also can cause a seeming disparity in survey statistics when in fact they are precise is that not all eligible respondents might answer a given question, and that if the non-response rate varies from sub-sample to sub-sample in a survey, this can seemingly distort resulting statistics when, in fact, there is no distortion.

A third factor is rounding of survey statistics. For example, two mean ratings to two-decimal precision might be 7.55 and 7.64, both of which when rounded to one-decimal precision would show as 7.6. If one of these is the full-sample mean and the other is a sub-sample mean, and both are displayed as 7.6, this could appear to be an impossible equality between the two means when in fact they are different.

It is important to keep these three rather complex contingencies in mind when comparing a few of this report's summary statistics. Such is the world of statistics.

IV. Results of the Survey

Format of Presentation of Responses

In the remainder of this report, summary statistics are displayed in the following formats.

For Proportions

For questions whose responses are proportions, for example, yes-or-no questions, summary statistics are presented as frequency distributions in the following format.

	Proportions
Answer Choice 1	%
— — —	%
Answer Choice n	%

For Measures of Central Tendency

For questions whose responses result in the three measures of central tendency — mean, median and mode — summary statistics are presented in the following format. Summary statistics for all of the survey's Likert Scale questions are displayed in this format. Medians and modes exist as answer choices, e.g., the integers one to ten in a Likert Scale question. Depending on sample size, means may be expressed with one or more decimal places. Means in this report are shown with one-decimal-place accuracy. Grand means, later defined, are shown with two-decimal-place accuracy.

	Measures
Mean	n.n
Median	n
Mode	n

How to Interpret Ratings From a One-to-Ten Likert Scale

The following interpretation of a one-to-ten Likert Scale may be used to interpret the survey's customer satisfaction ratings. "Average" appears twice since mean and median of a one-to-ten scale are both 5.5.

Rating	Meaning	Rating	Meaning
10	Highest possible	5	Average
9	Very high	4	Below average
8	High	3	Low
7	Above average	2	Very low
6	Average	1	Lowest possible

Tabulations of Responses

Following are the results for each of the survey's 59 questions and data items. Results have been disaggregated by pharmacy plan and then results within each plan further disaggregated according to respondents' CalPERS health plan status — Basic or Supplement-to-Medicare. Results for the total sample of 1,200 in most cases are not shown because pooling of results would not be warranted.

The following questions were preceded by a screening protocol and welcome which callers went through with each respondent to determine eligibility to participate in the survey. The screening protocol and welcome and the script's thank you are provided in an appendix of this report.

The questions as callers read them to respondents are shown in italics. Shown in plain type are instructions to callers as they appeared on the caller script. **Bold was used for emphasis in the script.**

Question 1

Caller: For "name of plan" here and in other questions, substitute Medco, Kaiser or Blue Shield depending on which calling database you are working from.

Thanks. Now we can begin the survey. You are one of 1,200 people being surveyed in California and elsewhere, and anything you tell me is entirely confidential. We need your opinions on several matters concerning how well your CalPERS pharmacy plan is serving you in providing your prescription drugs. You might know your pharmacy plan as a prescription drug plan. They are the same thing. First of all, CalPERS shows you as having participated in the [name of plan] pharmacy plan during 2007. Is this correct? If you have changed your pharmacy plan since January 1, 2008, we are interested only in the plan you were with in 2007.

	Blue Shield		Kaiser		Medco	
	Basic	**Medicare**	**Basic**	**Medicare**	**Basic**	**Medicare**
Yes	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
No	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Not sure	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

This was a screening question to confirm accuracy of the calling databases. As here, all three databases were entirely accurate, properly classifying respondents according to which pharmacy plan they belong to. Complete accuracy within the samples permits CalPERS to have high confidence in the full databases.

Question 2

Caller: If no or not sure above, thank the respondent, say *"I'm sorry but we need to survey only CalPERS members who are certain of which pharmacy plan they belonged to last year,"* and terminate the call.

If yes above, continue here.

*As best as you can recall, did you get a prescription filled by your CalPERS pharmacy plan during 2007? By filled, I mean **either** filled by you at a walk-in pharmacy or mailed to you from your pharmacy plan.*

	Blue Shield		Kaiser		Medco	
	Basic	Medicare	Basic	Medicare	Basic	Medicare
Yes	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
No	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Not sure	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

This, too, was a screening question to confirm the accuracy of the calling databases used. The databases were supposed to contain only the names of members who had had prescriptions filled during 2007. Here again, we see complete accuracy within the samples called.

Question 3

Caller: If no or not sure above, thank the respondent, say *"I'm sorry but we need to survey only CalP-ERS members who had a prescription filled last year,"* and terminate the call.

If yes above, continue here.

Please tell me all of the following ways in which you had your prescriptions filled during 2007.

[Caller: Read the choices.]

At a walk-in pharmacy
By placing your order on line at your pharmacy plan's web site
By telephoning your pharmacy plan, not your walk-in pharmacy but your pharmacy plan
By mailing in an order to your pharmacy plan

Caller: Continue by asking the questions in **any** of panels A through D below for which the respondent indicated a method of purchase above. Note that some respondents will have used more than one method to have their prescriptions filled.

🔸 Panel A is for those who had a prescription filled at a walk-in pharmacy.

🔸 Panel B is for those who had a prescription filled on line at the pharmacy plan's web site.

🔸 Panel C is for those who had a prescription filled by telephoning the pharmacy plan [not a walk-in pharmacy].

🔸 Panel D is for those who had a prescription filled by ordering by mail from the pharmacy plan.

🔸 Then, panels E, F and G are asked of all respondents.

	Blue Shield		Kaiser		Medco	
	Basic	Medicare	Basic	Medicare	Basic	Medicare
Walk-in pharmacy	70.9%	67.2%	82.5%	88.0%	58.5%	73.0%
Web site order to plan	5.1%	4.7%	8.0%	6.0%	27.0%	12.0%
Telephone order to plan	10.1%	2.8%	11.0%	11.0%	26.5%	21.5%
Mail-in order to plan	13.9%	25.3%	16.5%	14.5%	48.5%	37.5%
Totals	118.5%	126.5%	118.0%	119.5%	160.5%	144.0%

Totals above come to more than 100 percent because of respondents who had prescriptions filled by more than one method during 2007. We note below that 40.2 percent of respondents had a prescription filled in 2007 other than through a walk-in pharmacy. In total, the 1,200 respondents in this survey had 1,574 orders filled during 2007 or an average of 1.3 orders each.[2] Of these, just under 60 percent were

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[2] One order may have included more than one prescription so the number of prescriptions filled by these 1,200 members in 2007 would have been more than 1,574.

filled at walk-in pharmacies and just over 40 percent by mail. However, note below that these proportions differ from plan to plan with only about 30 percent of Blue Shield and Kaiser members using mailed prescriptions while nearly double that proportion of Medco members did.

	Blue Shield	Kaiser	Medco	Totals	Counts
Walk in	69.0%	71.8%	43.2%	59.8%	942
Web site order to plan	4.9%	5.9%	12.8%	8.3%	130
Telephone order to plan	6.3%	9.3%	15.8%	10.9%	171
Mail-in order to plan	19.8%	13.1%	28.2%	21.0%	331
Totals	100.0%	100.0%	100.0%	100.0%	1,574

Panel A- Prescriptions Filled At Walk-In Pharmacies

Question 4

Next, I am going to ask you a few questions about how satisfied you were when you got your prescriptions filled at walk-in pharmacies in 2007. For most questions following, we are going to use a one-to-ten scale where one means least of what I am asking you about and ten means most. First, how satisfied were you with the particular walk-in pharmacies where you went to get your prescriptions filled in 2007?

	Blue Shield		Kaiser		Medco	
	Basic	Medicare	Basic	Medicare	Basic	Medicare
Mean	8.9	9.1	9.1	9.1	9.1	9.1
Median	9	10	10	10	10	10
Mode	10	10	10	10	10	10

Here, we first encounter the very high customer satisfaction ratings which we will see repeated frequently in the remainder of this report. These respondents' many median and modal ratings of ten on the one-to-ten Likert Scale are collectively among the very highest we have ever seen.

Question 5

How satisfied were you with the ease of finding a walk-in pharmacy which participates in your pharmacy plan? Again, one is least and ten is most.

	Blue Shield		Kaiser		Medco	
	Basic	Medicare	Basic	Medicare	Basic	Medicare
Mean	9.6	9.5	9.5	9.4	9.5	9.2
Median	10	10	10	10	10	10
Mode	10	10	10	10	10	10

Question 6

How satisfied were you with the convenience of walk-in pharmacy locations which you used in 2007?

	Blue Shield		Kaiser		Medco	
	Basic	Medicare	Basic	Medicare	Basic	Medicare
Mean	9.3	9.8	9.8	9.2	9.3	9.2
Median	10	10	10	10	10	10
Mode	10	10	10	10	10	10

Question 7

How satisfied were you with the willingness of walk-in pharmacy staff to answer your questions?

	Blue Shield		Kaiser		Medco	
	Basic	Medicare	Basic	Medicare	Basic	Medicare
Mean	9.3	9.5	9.3	9.4	9.4	9.3
Median	10	10	10	10	10	10
Mode	10	10	10	10	10	10

Question 8

How satisfied were you with the willingness of walk-in pharmacy staff to meet your particular needs?

	Blue Shield		Kaiser		Medco	
	Basic	Medicare	Basic	Medicare	Basic	Medicare
Mean	9.2	9.5	9.4	9.4	9.3	9.3
Median	10	10	10	10	10	10
Mode	10	10	10	10	10	10

Question 9

How many walk-in pharmacies which participate in your CalPERS-provided pharmacy plan are located near enough to you to be convenient? If you are not sure of the number, an estimate is fine.

Caller: Record the response here **as a numeral**

	Blue Shield		Kaiser		Medco	
	Basic	Medicare	Basic	Medicare	Basic	Medicare
Mean	3.4	3.0	3.0	3.0	3.5	2.8
Median	3	3	2	2	3	3
Mode	1	1	1	1	2	3

Question 10

On the one-to-ten scale, how would you rate your overall level of satisfaction with getting your prescriptions filled through your pharmacy plan at walk-in pharmacies?

	Blue Shield		Kaiser		Medco	
	Basic	Medicare	Basic	Medicare	Basic	Medicare
Mean	9.1	9.4	9.3	9.3	9.3	9.4
Median	10	10	10	10	10	10
Mode	10	10	10	10	10	10

There are no statistically significant differences in overall satisfaction from one plan to another.

Recommendations

Investigate why Medco has had double the success of the other two plans in getting members to fill prescriptions directly by the plan.

M I C H A E L   S T R A T E G I C   A N A L Y S I S

Panel B- Prescriptions Filled On Line At the Pharmacy Plan's Web Site

Question 11

*Next, I am going to ask you a few questions about how satisfied you were when you got your prescriptions filled on line at your pharmacy plan's web site. For each question here, we will use a one-to-ten scale where one means least and ten means most. First, in 2007, how satisfied were you with the ordering process for filling **new** prescriptions on line at your pharmacy plan's web site?*

	Blue Shield		Kaiser		Medco	
	Basic	Medicare	Basic	Medicare	Basic	Medicare
Mean	8.3	8.0	9.4	9.7	8.9	9.4
Median	9	10	10	10	9	10
Mode	10	10	10	10	10	10

Question 12

*How satisfied were you with the process for **refilling** your prescriptions on line at the web site?*

	Blue Shield		Kaiser		Medco	
	Basic	Medicare	Basic	Medicare	Basic	Medicare
Mean	8.0	8.3	9.6	9.8	8.8	9.7
Median	9	10	10	10	9.5	10
Mode	10	10	10	10	10	10

Question 13

How satisfied were you with the availability of information to get your questions answered at your pharmacy plan's web site?

	Blue Shield		Kaiser		Medco	
	Basic	Medicare	Basic	Medicare	Basic	Medicare
Mean	7.9	8.5	9.3	9.2	8.6	9.8
Median	9	9	10	9	9	10
Mode	10	10	10	9	10	10

Question 14

If you used your pharmacy plan's web site to locate a walk-in pharmacy in 2007, how difficult or easy was it to locate a walk-in pharmacy from the web site?

	Blue Shield		Kaiser		Medco	
	Basic	Medicare	Basic	Medicare	Basic	Medicare
Mean	8.6	8.6	9.3	9.4	8.7	9.5
Median	9	9	10	10	9	10
Mode	10	10	10	10	10	10

Question 15

If you used your pharmacy plan's web site to learn more about your drug copayments in 2007, how difficult or easy was it to get the information you wanted about copayments?

	Blue Shield		Kaiser		Medco	
	Basic	Medicare	Basic	Medicare	Basic	Medicare
Mean	8.4	8.8	9.4	9.3	8.9	9.4
Median	9	10	10	10	9	10
Mode	10	10	10	10	10	10

Question 16

How difficult or easy would you say it is to use your pharmacy plan's web site?

	Blue Shield		Kaiser		Medco	
	Basic	Medicare	Basic	Medicare	Basic	Medicare
Mean	7.5	8.3	9.7	9.6	8.9	9.4
Median	8	10	10	10	9.5	10
Mode	10	10	10	10	10	10

Question 17

In a word or two, what do you like most about getting your prescriptions filled on line?

Caller: Record the response in **one or two** key words

Overall convenience	42.2%
Ease of transaction	14.1%
Faster order placement than at local pharmacy	11.9%

Only one respondent in nine answered this question. The 135 responses did not vary significantly by plan. No other category of response accounted for more than 2.2 percent of responses.

Question 18

In a word or two, what do you like least about getting your prescriptions filled on line?

Caller: Record the response in **one or two** key words

Only one respondent in 25 offered responses to this question, with hardly any measurable complaints. The only one of even bare significance is below.

"No complaints"	63.7%
Waiting for arrival of prescriptions	6.0%

Question 19

How satisfied were you in 2007 with your overall experience ordering your prescriptions on line at your pharmacy plan's web site?

	Blue Shield		Kaiser		Medco	
	Basic	Medicare	Basic	Medicare	Basic	Medicare
Mean	7.7	7.9	9.8	9.8	9.0	9.5
Median	9	9	10	10	9	10
Mode	10	10	10	10	10	10

There is a statistically significant difference in overall satisfaction in getting prescriptions filled at web sites between Blue Shield members and members of the two other plans, with Blue Shield members experiencing lower satisfaction. The lower ratings stem from member difficulty using the Blue Shield web site. However, the Blue Shield mean satisfaction levels of 7.7 and 7.9 are still above average.

Recommendations

Encourage Blue Shield to make its web site more user-friendly.

Panel C- Prescriptions Filled By Telephoning the Pharmacy Plan

Question 20

Next, I am going to ask you four questions about how satisfied you were when you got your prescriptions filled by telephoning your pharmacy plan. For each question here, we will again use the one-to-ten scale where one means least and ten means most. First, how satisfied were you with your pharmacy plan's ordering process when you ordered your prescriptions by telephone?

	Blue Shield		Kaiser		Medco	
	Basic	Medicare	Basic	Medicare	Basic	Medicare
Mean	9.3	7.7	9.3	9.7	8.6	9.5
Median	10	8	10	10	9	10
Mode	10	10	10	10	10	10

Question 21

In a word or two, what do you like most about getting your prescriptions filled by calling your pharmacy plan? Caller: Record the response in **one or two** key words.

Overall convenience	45.6%
Faster	14.2%
Avoidance of walk-in pharmacy	7.7%
Lower cost	4.7%

Question 22

In a word or two, what do you like least about getting your prescriptions filled by calling your pharmacy plan? Caller: Record the response in **one or two** key words

"No complaints"	69.6%
Auto-attendant menu	13.7%
Waiting times	5.4%

Question 23

How satisfied were you with your overall experience with ordering your prescriptions by telephone?

	Blue Shield		Kaiser		Medco	
	Basic	Medicare	Basic	Medicare	Basic	Medicare
Mean	9.3	8.1	9.4	9.7	8.6	9.6
Median	10	9	10	10	9	10
Mode	10	10	10	10	10	10

Blue Shield Supplement-to-Medicare members express lower overall satisfaction in getting prescriptions filled by telephone and, from question 20, with the ordering process.

Recommendations

Ask Blue Shield to address concerns of CalPERS Supplement-to-Medicare members who get prescriptions filled by telephone. [But note that the overall rating given by Blue Shield Supplement-to-Medicare respondents in Panel C was 8.1, a high Likert Scale rating, even if the lowest above.]

Panel D- Prescriptions Filled By Mail Order Through the Pharmacy Plan

Question 24

Next, I am going to ask you two questions about how satisfied you were when you got your prescriptions filled by ordering them through the mail from your pharmacy plan. For each question here, we will use the one-to-ten scale where one means least and ten means most. First, how satisfied were you with your pharmacy plan's ordering process when you ordered your prescriptions by mail?

	Blue Shield		Kaiser		Medco	
	Basic	**Medicare**	**Basic**	**Medicare**	**Basic**	**Medicare**
Mean	8.8	9.1	9.0	9.1	8.8	9.2
Median	9	10	9	9	10	10
Mode	10	10	10	10	10	10

Question 25

How satisfied were you with your overall experience ordering your prescriptions by mail?

	Blue Shield		Kaiser		Medco	
	Basic	**Medicare**	**Basic**	**Medicare**	**Basic**	**Medicare**
Mean	8.5	8.9	8.6	8.1	8.8	8.9
Median	9	10	9	9	10	10
Mode	10	10	10	10	10	10

Recommendations

None

Panel E- General Customer Satisfaction

Question 26

About how often did you have prescriptions filled in 2007?   [Caller: read the choices.]

	Blue Shield		Kaiser		Medco	
	Basic	**Medicare**	**Basic**	**Medicare**	**Basic**	**Medicare**
At least once in the year	5.5%	4.0%	10.0%	5.0%	3.0%	3.0%
About every three months	33.7%	33.7%	44.5%	43.5%	68.3%[3]	52.8%
About once a month	59.3%	60.8%	43.5%	49.5%	28.1%	41.2%
About once a week	1.5%	1.5%	2.0%	2.0%	0.5%	3.0%

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[3] The primary reason why more Medco respondents had prescriptions filled "about every three months" is that Medco usually provides 90-supplies of medicines.

The following table shown the frequencies of filling prescriptions. For example, "7 weeks" means getting prescriptions filled every seven weeks on the average.

	Blue Shield		Kaiser		Medco	
	Basic	Medicare	Basic	Medicare	Basic	Medicare
Mean	7 weeks	7 weeks	10 weeks	8 weeks	10 weeks	9 weeks
Median	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly
Mode	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly

Question 27

Caller: Ask questions 27 through 31 of all respondents **except** those who had their prescriptions filled **only** at walk-in pharmacies. If a respondent had prescriptions filled both at walk-in pharmacies and directly with the pharmacy plan by any method, ask questions 27 through 31.

How many days after you ordered from your pharmacy plan did it usually take for a prescription to arrive? We mean only prescriptions which came in your mail, not ones which you had filled at a walk-in pharmacy.

Caller: Record the response here as a **number of days**

	Blue Shield		Kaiser		Medco	
	Basic	Medicare	Basic	Medicare	Basic	Medicare
Mean	6.1	7.2	6.3	6.6	6.3	6.5
Median	7	7	6	6	6	6
Mode	7	7	7	5	7	5

By about one day, the mean time it takes for Blue Shield Supplement-to-Medicare members to get their prescriptions filled is statistically significantly longer than for the five other groups.

Question 28

How satisfied were you with delivery of your medications in good condition? Here, we mean only prescriptions which came in your mail, not ones which you had filled at a walk-in pharmacy.

	Blue Shield		Kaiser		Medco	
	Basic	Medicare	Basic	Medicare	Basic	Medicare
Mean	9.8	9.5	9.6	9.5	9.8	9.6
Median	10	10	10	10	10	10
Mode	10	10	10	10	10	10

Question 29

For the following questions, please tell me how strongly you agree or disagree with the statement. For these questions, one means strongest disagreement and ten means strongest agreement. First, your prescription drugs are packaged in easy-to-use, easy-to-read containers. Here, we mean only prescriptions which came in your mail, not ones which you had filled at a walk-in pharmacy.

	Blue Shield		Kaiser		Medco	
	Basic	Medicare	Basic	Medicare	Basic	Medicare
Mean	9.7	9.3	9.6	9.4	9.6	9.5
Median	10	10	10	10	10	10
Mode	10	10	10	10	10	10

Question 30

Your prescriptions' instructions are clear and helpful. Here, we mean only prescriptions which came in your mail, not ones which you had filled at a walk-in pharmacy.

	Blue Shield		Kaiser		Medco	
	Basic	Medicare	Basic	Medicare	Basic	Medicare
Mean	9.7	9.5	9.6	9.4	9.7	9.5
Median	10	10	10	10	10	10
Mode	10	10	10	10	10	10

Question 31

We're past the half way point now. Using the one-to-ten scale, how satisfied were you with the time it took to deliver your prescriptions in 2007? Here, we mean only prescriptions which came in your mail, not ones which you had filled at a walk-in pharmacy.

	Blue Shield		Kaiser		Medco	
	Basic	Medicare	Basic	Medicare	Basic	Medicare
Mean	9.1	8.9	9.2	9.0	9.2	9.1
Median	10	10	10	10	10	10
Mode	10	10	10	10	10	10

Question 32

Using the one-to-ten scale again, how satisfied were you with the helpfulness of information provided with your prescriptions? One is least, ten is most.

	Blue Shield		Kaiser		Medco	
	Basic	Medicare	Basic	Medicare	Basic	Medicare
Mean	9.2	9.2	9.2	9.0	9.0	9.2
Median	10	10	10	10	10	10
Mode	10	10	10	10	10	10

Question 33

How satisfied were you with the accuracy of receiving the same medications which you ordered?

	Blue Shield		Kaiser		Medco	
	Basic	Medicare	Basic	Medicare	Basic	Medicare
Mean	9.6	9.6	9.5	9.5	9.7	9.5
Median	10	10	10	10	10	10
Mode	10	10	10	10	10	10

Question 34

How satisfied were you with the accuracy of receiving the quantity of medication which you ordered?

	Blue Shield		Kaiser		Medco	
	Basic	Medicare	Basic	Medicare	Basic	Medicare
Mean	9.7	9.7	9.6	9.7	9.8	9.6
Median	10	10	10	10	10	10
Mode	10	10	10	10	10	10

Question 35

Would you say that the amount of written communication which you receive from your pharmacy plan is too little, about right or too much?

	Blue Shield		Kaiser		Medco	
	Basic	Medicare	Basic	Medicare	Basic	Medicare
Too little	2.0%	3.5%	3.0%	1.0%	4.5%	1.0%
About right	76.0%	80.0%	72.5%	72.0%	82.5%	81.5%
Too much	22.0%	16.5%	24.5%	27.0%	13.0%	17.5%

Question 36

If you have ever telephoned your pharmacy plan to speak to someone, about how many minutes on the average has it taken you to reach a customer service representative?

Caller: Record the response in **number of minutes**

	Blue Shield		Kaiser		Medco	
	Basic	Medicare	Basic	Medicare	Basic	Medicare
Mean	3.1	5.1	4.3	4.0	3.8	3.4
Median	2	4.5	3	3	3	3
Mode	1	5	5	5	2	5

Question 37

If you have ever telephoned your pharmacy plan, how easy or difficult was it to use the plan's telephone answering system? One is most difficult and ten is easiest.

	Blue Shield		Kaiser		Medco	
	Basic	Medicare	Basic	Medicare	Basic	Medicare
Mean	8.5	7.4	8.3	8.2	7.7	8.3
Median	9	8	9	9	8	9
Mode	10	10	10	10	10	10

Question 38

If you have ever telephoned your pharmacy plan, how courteously were you treated on a one-to-ten scale where one is least and ten is most?

	Blue Shield		Kaiser		Medco	
	Basic	Medicare	Basic	Medicare	Basic	Medicare
Mean	9.5	9.2	9.3	9.5	9.3	9.3
Median	10	9.5	10	10	10	10
Mode	10	10	10	10	10	10

Question 39

If you have ever telephoned your pharmacy plan, how easy or difficult was it to get your questions re-solved on your first call? One is most difficult and ten is easiest.

	Blue Shield		Kaiser		Medco	
	Basic	Medicare	Basic	Medicare	Basic	Medicare
Mean	8.3	9.2	8.7	9.1	8.5	9.0
Median	9	10	9	10	10	9
Mode	10	10	10	10	10	10

Question 40

If you have ever telephoned your pharmacy plan and asked to speak with a pharmacist, how easy or difficult was it to reach a pharmacist?

	Blue Shield		Kaiser		Medco	
	Basic	Medicare	Basic	Medicare	Basic	Medicare
Mean	9.1	7.8	8.8	8.9	8.1	9.0
Median	10	8.5	9	9	9	9
Mode	10	10	10	10	10	10

Question 41

If you have ever discussed a prescription with a pharmacist at [name of plan], on the one-to-ten scale how would your rate your satisfaction with the ability of the pharmacist to answer your questions or concerns? One is least, ten most.

	Blue Shield		Kaiser		Medco	
	Basic	Medicare	Basic	Medicare	Basic	Medicare
Mean	9.5	8.6	9.3	9.5	8.9	9.3
Median	10	9.5	10	10	10	10
Mode	10	10	10	10	10	10

Question 42

Have you ever experienced a situation in which the medication which your doctor prescribed for you was not covered by your pharmacy plan?

	Blue Shield		Kaiser		Medco	
	Basic	Medicare	Basic	Medicare	Basic	Medicare
Yes	38.5%	36.5%	23.0%	29.0%	29.5%	26.0%
No	61.5%	63.5%	77.0%	71.0%	70.5%	74.0%

The reason that lack of coverage by Blue Shield is half again higher than that of either Kaiser or Medco is that Blue Shield, to contain costs, has a narrower formulary. This difference is statistically significant.

Question 43

Has [name of plan] ever provided you with information about generic drugs? Generic drugs are equivalent alternative prescription drugs to name-brand drugs that reduce the cost to you and to CalPERS.

	Blue Shield		Kaiser		Medco	
	Basic	Medicare	Basic	Medicare	Basic	Medicare
Yes	80.0%	67.5%	76.5%	77.5%	85.0%	75.5%
No	20.0%	32.5%	23.5%	22.5%	15.0%	24.5%

Question 44

Have you ever taken any action on your own to determine if lower-cost generic alternatives were available?

	Blue Shield		Kaiser		Medco	
	Basic	Medicare	Basic	Medicare	Basic	Medicare
Yes	48.5%	41.5%	38.0%	38.0%	39.5%	35.5%
No	51.5%	58.5%	62.0%	62.0%	60.5%	64.5%

Question 45

On the basis of what you learned about the availability of generic drugs either yourself or from your pharmacy plan, have you ever switched from name-brand to generic drugs?

	Blue Shield		Kaiser		Medco	
	Basic	**Medicare**	**Basic**	**Medicare**	**Basic**	**Medicare**
Yes	80.5%	59.0%	59.5%	62.0%	59.0%	59.0%
No	19.5%	41.0%	40.5%	38.0%	41.0%	41.0%

Question 46

We're in the home stretch now. On the one-to-ten scale, how satisfied are you overall with the pharmacy service provided to you by [name of plan]? Again, one is least, ten is most.

	Blue Shield		Kaiser		Medco	
	Basic	**Medicare**	**Basic**	**Medicare**	**Basic**	**Medicare**
Mean	9.1	9.2	9.1	9.2	9.1	9.3
Median	10	10	10	10	10	10
Mode	10	10	10	10	10	10

Question 47

*In a **word or two**, what do you think CalPERS could do to improve its pharmacy service to you in the future?* Caller: Record **one or two** keywords

All but two of the survey's 1,200 respondents answered this question, with a strong majority expressing satisfaction with no suggestions for improvement. Suggestions were very varied. Those offered more than a few times are as follows.

Praise, "keep as is" or "no suggestions"	71.3%
Lower prices	10.1%
Broader choices of medicines	4.3%
Improve telephone procedures	2.8%
Larger supply per order	2.1%
Faster delivery	1.6%

Recommendations

In 2007, there was an average one-day longer delivery time in filling prescriptions for Blue Shield Supplement-to-Medicare members. This group also expressed lower satisfaction with reaching Blue Shield pharmacists by telephone. Blue Shield hired a new mail order fulfillment vendor as of January 1, 2008, which might resolve these two situations. Recommend to Blue Shield that it recheck Supplement-to-Medicare customer satisfaction, and that it review its breadth of offerings.

Panel F- Special Care Pharmacy Services

Question 48

Some CalPERS members need what are called specialty drugs from their CalPERS pharmacy plan. A specialty drug is one which might involve a chronic disease, high cost, special handling or distribution, closer case management or careful monitoring by your doctor or nurse. Specialty drugs are often newer or more expensive. Did you receive any specialty drugs through your CalPERS pharmacy plan during 2007?

	Blue Shield		Kaiser		Medco	
	Basic	Medicare	Basic	Medicare	Basic	Medicare
Yes	9.0%	10.0%	9.0%	12.5%	8.5%	9.5%
No	87.5%	88.0%	88.0%	84.0%	85.5%	81.0%
Not sure	3.5%	2.0%	3.0%	3.5%	6.0%	9.5%

Question 49

Caller: If no or not sure above, skip to question 52. If yes, proceed here.

On the one-to-ten scale, how would you rate the accuracy of your pharmacy plan in 2007 in filling your specialty drug prescriptions correctly? One is least, ten is most.

	Blue Shield		Kaiser		Medco	
	Basic	Medicare	Basic	Medicare	Basic	Medicare
Mean	8.9	8.6	8.7	8.6	9.2	8.8
Median	10	10	10	10	10	10
Mode	10	10	10	10	10	10

Question 50

On the one-to-ten scale where one is most difficult and ten is easiest, how difficult or easy would you say your specialty drugs were to order in 2007?

	Blue Shield		Kaiser		Medco	
	Basic	Medicare	Basic	Medicare	Basic	Medicare
Mean	8.6	8.2	8.4	7.9	7.7	8.4
Median	10	9.5	10	9	9	9
Mode	10	10	10	10	10	10

Question 51

On the one-to-ten scale where one is most difficult and ten is easiest, how difficult or easy would you say it was in 2007 to get your questions about your specialty drugs answered quickly and completely by your pharmacy plan, not by your doctor or nurse but by your pharmacy plan?

	Blue Shield		Kaiser		Medco	
	Basic	Medicare	Basic	Medicare	Basic	Medicare
Mean	8.1	8.4	8.4	8.2	7.7	8.8
Median	10	9.5	10	9	9	9
Mode	10	10	10	10	10	10

Recommendations

None

Panel G- Demographic Data

Question 52

*Thanks. That is the end of our questionnaire. Now to finish, I need to know a little about you so that we can correctly classify your responses along with others'. Again, anything you tell me is confidential and is for analysis only. First, which **one choice** of the following best applies to you?*

[Caller: Read the categories but not the codes.]

	Blue Shield		Kaiser		Medco	
	Basic	Medicare	Basic	Medicare	Basic	Medicare
Employed full time	23.0%	1.0%	17.5%	6.5%	45.5%	1.0%
Employed part time	13.5%	3.0%	9.5%	5.5%	6.0%	2.0%
Fully retired	56.5%	93.0%	67.0%	84.5%	45.5%	94.5%
Looking for work	3.0%	1.5%	3.5%	3.5%	0.5%	2.0%
Not working or retired[4]	3.5%	1.5%	2.5%	0.0%	2.0%	0.5%
Student	0.5%	0.0%	0.0%	0.0%	0.5%	0.0%

Note here the employment status of the sub-samples of Basic health plan members in all three pharmacy plans, many of whom are retired. This is because of the age composition of these sub-samples as shown in the age distributions at question 54, results of which show the mean age of Basic health plan respondents at about 60, considerably older than the mean age of all CalPERS members served by a Basic health plan. The cause of this relatively older survey sample is that it includes only members who filled a prescription in 2007, and older people are more likely to use prescription drugs than are younger people.

Question 53

What was the highest level of education you completed? [Caller: Read the categories but not codes.]

	Blue Shield		Kaiser		Medco	
	Basic	Medicare	Basic	Medicare	Basic	Medicare
Less than high school	0.5%	3.0%	2.0%	4.5%	1.0%	3.5%
High school	15.5%	26.0%	18.5%	14.0%	13.5%	17.5%
Some college[5]	41.0%	38.0%	41.0%	45.0%	33.0%	43.5%
College graduate	21.0%	14.5%	18.0%	15.0%	17.0%	11.5%
Graduate work	8.0%	4.5%	4.5%	4.5%	6.5%	6.5%
Graduate degree	14.0%	14.0%	16.0%	17.0%	29.0%	17.5%

Question 54

In which of the following categories is your age?

[Caller: Read the categories but not the codes.]

	Blue Shield		Kaiser		Medco	
	Basic	Medicare	Basic	Medicare	Basic	Medicare
Mean	60.4	68.1	61.4	66.0	60.3	71.6
Median	55.1	71.9	57.5	71.2	54.0	74.9
Mode	60s	60s	60s	60s	60s	60s

Question 55

I am going to read you some income categories. Please tell me when I get to the category your family's 2007 income before taxes was in. As I mentioned, anything you tell me is strictly confidential.

[Caller: Read the categories]

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[4] The answer choice wording as read to respondents was, "Not working and not looking for work but not yet retired."
[5] The wording of the answer choice as read to respondents was, "Some college or technical training."

	Blue Shield		Kaiser		Medco	
	Basic	**Medicare**	**Basic**	**Medicare**	**Basic**	**Medicare**
Mean	$93,630	$76,786	$86,302	$84,266	$82,745	$52,465
Median	$70,951	$61,257	$59,744	$59,647	$78,680	$50,001[6]
Mode	$50-100,000	$50-100,000	$50-100,000	$50-100,000	$50-100,000	$25-50,000

Question 56

Are you enrolled in a CalPERS basic health plan for people not yet on Medicare, or are you enrolled in a CalPERS supplement-to-Medicare health plan for people on Medicare?

[Caller: Some CalPERS members are enrolled in a basic plan and the spouse in a supplement-to-Medicare plan or vice versa. This question asks which kind of plan just the member is enrolled in.]

	Blue Shield		Kaiser		Medco	
	Basic	**Medicare**	**Basic**	**Medicare**	**Basic**	**Medicare**
Basic	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%
Supplement to Medicare	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%
Not sure	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

This question was asked as a check on the accuracy of the calling databases used. Here, we again see complete accuracy.

At this point in the survey script, callers thanked the respondent and ended the call unless the respondent had any questions [which few did]. The script's thank you is provided in an appendix of this report.

Item 57

[Do not ask.]   Caller: Record from the database you are using whether this respondent is listed as being in the basic health care plan or the supplement-to-Medicare health plan.

	Blue Shield		Kaiser		Medco	
	Basic	**Medicare**	**Basic**	**Medicare**	**Basic**	**Medicare**
Basic	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%
Supplement to Medicare	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%

Item 57 was a check on the responses to question 56 if there had been any discrepancies between responses and calling databases revealed from question 56, which there weren't.

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[6] There is an unusual and unexplained pattern of incomes shown here. For Blue Shield and Kaiser members, whether they participate in a Basic or Supplement-to-Medicare health plan, mean incomes exceed median incomes by about $13,000 to $17,000. This is typical because of the skewed distribution of incomes: while there is a floor of zero, there is no upper limit thus pulling the mean higher than the median for most groups, especially true in the United States where income disparity is high and getting worse.

We see two anomalies with regard to incomes of Medco respondents. First, since mean and median incomes for Supplement-to-Medicare and Basic members are only $2,000 or $4,000 apart respectively, there is much less skewness in the distribution of both groups' incomes indicating fewer incomes in the higher categories. Second, with more than 99 percent confidence, mean income for Medco Supplement-to-Medicare respondents is about 35 percent lower than that for either Blue Shield or Kaiser Supplement-to-Medicare respondents.

These anomalies are not explained by databases furnished, sampling, question wording, caller assignments, survey administration, data entry, programming, small numbers, analysis or any other known factor. These two anomalies do not affect the results or conclusions of the survey.

Item 58

[Do not ask.]   Caller: Record from the database used which pharmacy plan this respondent uses.

	Blue Shield		Kaiser		Medco	
	Basic	Medicare	Basic	Medicare	Basic	Medicare
Medco	0.0%	0.0%	0.0%	0.0%	100%	100%
Kaiser	0.0%	0.0%	100.0%	100.0%	0.0%	0.0%
Blue Shield	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%

This item, too, was used as a check on database accuracy and again we see complete accuracy.

Item 59

[Do not ask.]   Caller: Record gender

	Blue Shield		Kaiser		Medco	
	Basic	Medicare	Basic	Medicare	Basic	Medicare
Male	39.5%	41.0%	30.0%	38.5%	39.0%	46.0%
Female	60.5%	59.0%	70.0%	61.5%	61.0%	54.0%

VI. Multivariate Analysis

Do overall ratings of the three pharmacy plans differ from one another?

No, overall they don't. In statistics, a grand mean is the mean of other means, an average of averages. The grand means for all one-to-ten Likert Scale ratings for each of the three pharmacy plans are as follows. Two-decimal-place accuracy is warranted with these grand means. With greater than 99-percent confidence, there is no statistically significant difference among these grand-mean overall ratings.

- Blue Shield 8.86
- Kaiser   9.23
- Medco   9.10

Techniques used for analysis: Analysis of variance. Hypothesis testing on the difference of two means.

Do overall ratings made by Basic versus Supplement-to-Medicare members differ?

No, they don't. There is no statistically significant difference between grand-mean overall Likert Scale ratings by Basic health plan members versus those by Supplement-to-Medicare health plan members.

- Basic   9.03
- Supplement-to-Medicare 9.09

Technique used for analysis: Hypothesis testing on the difference of two means.

Do ratings given by Basic or Supplement-to-Medicare members vary from plan to plan?

Yes, Blue Shield Supplement-to-Medicare members are less satisfied. Following are the grand-mean overall Likert Scale ratings by pharmacy plan and health plan type.

Blue Shield		Kaiser		Medco	
Basic	Medicare	Basic	Medicare	Basic	Medicare
8.90	8.82	9.23	9.22	8.97	9.23

There are no statistically significant differences among the overall ratings by Basic members among the three pharmacy plans. However, with greater than 99-percent confidence, the overall rating by Blue Shield Supplement-to-Medicare members is different than those by Kaiser or Medco Supplement-to-Medicare members. Blue Shield Supplement-to-Medicare members are less satisfied. The specific areas of their relative dissatisfaction are as noted earlier in this report.

It is well to keep in mind that, while Blue Shield has opportunity to improve customer service to its Supplement-to-Medicare members, its overall rating by its Supplement-to-Medicare members of 8.82 above is high to very high and a respectable rating.

Techniques used for analysis: Analysis of variance. Hypothesis testing on the difference of two means.

Do overall ratings differ by means of prescription delivery?

Yes, with walk-in pharmacies still preferred but only over mail-in orders to pharmacy plans. The grand mean Likert Scale ratings and numbers of respondents by means of delivery are as follows.

- Walk-in pharmacy   9.30   942 respondents
- Web site order to pharmacy plan   8.95   130 respondents
- Telephone order to pharmacy plan   9.12   171 respondents
- Mail-in order to pharmacy plan   8.63   331 respondents[7]

Analysis pinpointed one difference: that mean customer satisfaction for walk-in pharmacy delivery is higher than mean customer satisfaction for delivery from mail-in orders to a pharmacy plan. No other two means of delivery differed significantly in customer satisfaction. We note that having prescriptions filled by mail-order is inherently more difficult and therefore takes longer on the average. Some of the impediments possible with mail-in orders are illegible prescriptions, delayed mail both ways and the fulfillment vendor needing to verify prescriptions with doctors.[8]

Techniques used for analysis: Analysis of variance. Hypothesis testing on the difference of two means.

Do ratings differ by means of prescription delivery from group to group within plans?

Yes, in several ways. Overall grand mean Likert Scale ratings for all six sub-sub-samples are shown in the following table for the four methods of prescription delivery examined in the survey.

	Blue Shield		Kaiser		Medco		Basic Means	Medicare Means
	Basic	Medicare	Basic	Medicare	Basic	Medicare		
Walk-In Mean Ratings	9.1	9.4	9.3	9.3	9.3	9.4	*9.2*	*9.4*
Mail Order Mean Ratings	8.5	8.3	9.3	9.2	8.8	9.3	*8.9*	*8.9*
• Web site order to plan	7.7	7.9	9.8	9.8	9.0	9.5	*8.8*	*9.1*
• Telephone order to plan	9.3	8.1	9.4	9.7	8.6	9.6	*9.1*	*9.1*
• Mail-in order to plan	8.5	8.9	8.6	8.1	8.8	8.9	*8.6*	*8.6*

The following ratings are statistically significant in their differences from comparable ratings.

- Customer satisfaction is lower for both Basic and Supplement-to-Medicare respondents of Blue Shield

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[7] There are 1,574 responses here, more than the number of 1,200 respondents, because some respondents had prescriptions filled by more than one method during 2007.

[8] Analysis of variance was used as the first form of analysis to determine if the grand mean ratings differed from one another. They do, but analysis of variance is not a robust means of analysis as all it reveals is that at least one mean is different from the others but not how many means might differ or which one(s). The second form of analysis used to identify specific differences was hypothesis testing on the differences between pairs of means.

for mail orders by any means of delivery versus walk-in pharmacy orders.

🔸 Customer satisfaction is especially lower for both Basic and Supplement-to-Medicare respondents for delivery of orders placed through the Blue Shield web site. These are the only grand mean ratings below eight on the one-to-ten scale. From the definitions of Likert Scale ratings on page 10, a rating of seven is only "above average".

🔸 Customer satisfaction is lower for Medco Basic members who fill orders by telephone.

🔸 Customer satisfaction is lower for all three pharmacy plans for orders placed by a mail-in form to a pharmacy plan. However, we note as before that mail-in orders are inherently more complicated and slower to fill. To keep this in perspective, the grand mean rating for mail-in orders is 8.6 which indicates high to very high satisfaction.

Techniques used for analysis: Analysis of variance. Hypothesis testing on the difference of two means.

Are the three plans having success at getting members to switch to generic drugs?

Yes, they are. Results from questions 42 through 45 on generic drugs show good effort by the three pharmacy plans in educating members about generic drugs and a majority of respondents having made a switch. From question 43, about three-fourths of respondents report having had their pharmacy plan offer information on generic drugs.[9] From question 44, about two respondents in five had queried their pharmacy plans on their own regarding generic drugs. From question 45, more than three in five had made a switch to generic drugs.

Technique used for analysis: Inspection

What are the weak spots of individual pharmacy plans which bear improvement?

From earlier in the report, areas in which individual pharmacy plans could improve are as follows.

🔸 Medco leads the way in migrating its customers to getting prescriptions filled by mail. To accelerate delivery of prescriptions, all three pharmacy plans should be able to find ways to get customers to use pharmacy plan web sites or the telephone to fill prescriptions rather than mail-in forms or walk-in pharmacies.

🔸 Blue Shield respondents have comparatively lower satisfaction getting prescriptions filled by any means other than through a walk-in pharmacy.

🔸 Respondents of all three pharmacy plans complain of frustrating auto-attendants and long waiting times when filling prescriptions by telephone.

🔸 Blue Shield Supplement-to-Medicare respondents had relatively higher difficulty reaching a Blue Shield pharmacist by telephone.

Technique used for Analysis: Inspection of all previous results and analysis.

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[9] It is possible that the other quarter of respondents did not need such education.

Appendix One
Reduction of Sampling Error Trough the Sampling Fraction

Let n equal a sample size and N equal the size of the population from which the sample is drawn. When the sampling fraction, n/N, is more than five percent, random sampling error begins to be appreciably reduced and therefore a smaller sample size to insure no more than a given percentage error, e, becomes possible. Then, the Finite Population Multiplier, FPM, reduces the standard error of a sampling statistic such as a mean or proportion as follows.

$$\text{FPM} = \sqrt{\frac{N - n}{N - 1}}$$

Error reduction = 1 - FPM

For example, Michael Strategic Analysis once surveyed 105 of 1655 property owners in a community for an agency of a state government. In this case, random error from sampling was reduced as follows.

- n = 105
- N = 1655
- n/N = .063

Thus, 6.3 percent of the population was sampled. While it is possible that the sample included more than one response from the same parcel, we still have 105 responses from 1655 parcels.

Then, using the formula above, the finite population multiplier, FPM = .968 and error is reduced by the complement of this, or 3.2 percent, not a very significant amount.

In another example, exactly half of the Fortune 500 companies responded to a survey. In this case,

- n = 250
- N = 500
- n/N = .500

and the finite population multiplier is .707 leading to a 29.3 percent reduction in random error from sampling, an appreciable amount.

In the case of the 2008 CalPERS Pharmacy Plan Customer Satisfaction Survey, we have:

- n = 252
- N = 1,400
- n/N = .180

and the finite population multiplier is .906 leading to a 9.4 percent reduction in random error from sampling, an appreciable amount.

Appendix Two
Survey Welcome and Thank You

Part I- Welcome

Hello. My name is [first name AND last name] of Michael Strategic Analysis. We're conducting a survey for the California Public Employees Retirement System, CalPERS, which provides your health insurance and prescription drug coverage.   We would be very grateful if we could take a few minutes of your time to get your opinions on the pharmacy service which supplies your prescription drug coverage which CalPERS provides you.

If respondent hesitates to cooperate, say, " *If you like, you can verify what I have told you by calling Michael Strategic Analysis's main office at 916.456.8624."* If respondent still hesitates, say:

A.   *"Would it be more convenient for me to call back at another time?"*

If YES	Call back at the time specified by the respondent if possible.
Otherwise	Ask the next questions on this page to determine the person's eligibility to participate in the survey and to reach the preferred respondent in the household.

B.   *Is this [the first and last name provided on your database]?*

If YES	Skip to question 1 below.
If NO	Ask, *"Is [he/she] home right now?"* and go on to question C below.

C.   If YES   Ask, *"May I please speak with [her or him]?"*

If NO	Thank the person and go on to the next call.

D.   If YES   Wait until you have been connected with the CalPERS member you are trying to reach, repeat the introduction in the first paragraph above, and proceed with the survey below.

If NO	Thank the person and go on to the next call.

Part II- The Survey

The survey itself is presented in section IV of this report.

Part III- Thank You

I'd like to thank you very much for taking your time today to help us. Michael Strategic Analysis very much appreciates this and we know that CalPERS does too. Are there any questions which I can answer for you?

IF SO: Feel free to chat with the respondent. Remember that you are representing and giving a good impression of Michael Strategic Analysis and the California Public Employees' Retirement System.

IF NOT: End the call with, "Thank you again. Good bye now."

[Go on to the next call.]